

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of financial position

As of June 30, 2016 (unaudited) and December 31, 2015 (audited)

	Note	As of June 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	6	386,688	390,855
Trade and other receivables, net	7	78,803	78,754
Inventory, net	8	97,522	89,639
Financial assets at fair value through profit or loss	9	5,069	6,412
Income tax prepayments		65	3,589
Prepaid expenses		3,900	615
Available-for-sale financial assets		3,315	2,711
Other assets		353	-
		<u>575,715</u>	<u>572,575</u>
Non-current assets			
Other financial assets	10	195,835	192,498
Trade and other receivables, net	7	56,037	51,469
Investments in associates	11	305,692	292,130
Property, plant and equipment, net	12	486,416	435,499
Intangible assets, net	13	374,202	346,979
Deferred income tax asset, net		70,119	48,684
Income tax prepayments		-	945
Other assets		2	2
		<u>1,488,303</u>	<u>1,368,206</u>
Total asset		<u>2,064,018</u>	<u>1,940,781</u>
Liabilities			
Current liabilities			
Trade and other payables	14	99,477	103,638
Financial obligations	15	89,799	93,793
Provisions	16	27,550	27,628
Other Liabilities		-	298
		<u>216,826</u>	<u>225,357</u>
Non-current liabilities			
Trade and other payables	14	22,888	10,000
Financial obligations	15	444,385	452,484
Provisions	16	129,963	114,027
Deferred income tax liability, net		22,306	23,997
		<u>619,542</u>	<u>600,508</u>
Total liabilities		<u>836,368</u>	<u>825,865</u>
Equity			
Capital stock	17	601,269	601,269
Investment shares	17	300,634	300,634
Other reserves	17	160,670	160,670
Other equity items	17	(186,775)	(255,355)
Retained earnings	17	285,200	244,830
Equity attributable to equity holders of the parent		<u>1,160,998</u>	<u>1,052,048</u>
Non-controlling interests	17	66,652	62,868
Total equity		<u>1,227,650</u>	<u>1,114,916</u>
Total liabilities and equity		<u>2,064,018</u>	<u>1,940,781</u>

Minsur S.A. and Subsidiaries

Interim condensed consolidated income statements

For Six-months period ended June 30, 2016 and 2015 (unaudited)

	Note	For the specific quarter from April 1, to June 30,		For the Six months period ended June 30,	
		2016	2015	2016	2015
		US\$(000)	US\$(000)	US\$(000)	US\$(000)
Net sales	20	154,772	156,353	281,799	326,600
Cost of sales	21	(99,739)	(109,755)	(173,595)	(214,063)
Gross margin		55,033	46,598	108,204	112,537
Operating expenses					
Administrative expenses	22	(11,855)	(13,974)	(20,844)	(24,975)
Selling expenses	23	(1,590)	(2,185)	(3,123)	(4,324)
Other operating income	24	3,588	2,675	5,641	5,308
Other operating expenses	25	(14,916)	(18,299)	(30,494)	(35,859)
Total operating expenses		(24,773)	(31,783)	(48,820)	(59,850)
Operating income		30,260	14,815	59,384	52,687
Other income (expenses)					
Finance income	26	1,501	1,273	3,122	2,147
Finance costs	26	(10,681)	(11,770)	(19,625)	(10,779)
Gain (loss) from investments in associates, net	10	(2,085)	9,497	(4,410)	12,002
Gain (loss) from financial assets at fair value through profit or loss		(753)	(208)	(1,342)	223
Exchange difference, net		7,025	10,958	14,219	(15,782)
Total other income (expenses)		(4,993)	9,750	(8,036)	(12,189)
Profit before income tax		25,267	24,565	51,348	40,498
Income tax expense	17	(5,398)	(12,823)	(12,602)	(32,111)
Profit for the period		19,869	11,742	38,746	8,387
Attributable to :					
Owners of the parent		21,009	13,864	40,370	1,092
Non-controlling interests		(1,140)	(2,122)	(1,624)	(4,475)
Profit or loss for the period		19,869	11,742	38,746	(3,383)
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:					
Common shares	18 (g)	0.729	0.481	1.400	0.038
Investment shares	18 (g)	0.007	0.005	0.014	0.000

Minsur S.A. and Subsidiaries**Interim condensed consolidated statements of comprehensive income**

For the Six-months period ended June 30, 2016 and 2015 (unaudited)

	For the specific quarter from January 1, to June 30,		For the Six-months periods ended June 30,	
	2016	2015	2016	2015
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
(Loss) Profit for the period	19,869	11,742	38,746	(3,383)
Other comprehensive income				
Exchange difference on traslation of foreing operations	18,124	(7,605)	52,408	(56,398)
Unrealized gain (loss) related to investment in associate	10,712	-	16,324	-
Other comprehensive income	<u>(152)</u>	<u>(5,368)</u>	<u>(152)</u>	<u>(6,694)</u>
Net comprehensive income	<u>28,684</u>	<u>(12,973)</u>	<u>68,580</u>	<u>(63,092)</u>
Total comprehensive income	<u>48,553</u>	<u>(1,231)</u>	<u>107,326</u>	<u>(66,475)</u>
Attributable to:				
Equity holders of the parents	49,693	891	108,950	(62,000)
Non-controlling interests	<u>(1,140)</u>	<u>(2,122)</u>	<u>(1,624)</u>	<u>(4,475)</u>
	<u>48,553</u>	<u>(1,231)</u>	<u>107,326</u>	<u>(66,475)</u>

Minsur S.A. And Subsidiaries

Interim condensed consolidated statements of changes in equity

As of June 30, 2016 and 2015 (unaudited)

	<u>Capital Stock</u>	<u>Investment shares</u>	<u>Others Reserves</u>	<u>Other equity items</u>	<u>Reinvested earnings</u>	<u>Cumulative translation reserve</u>	<u>Unrealized Gain (loss)</u>	<u>Retained earnings</u>	<u>Total attributable to equity holders of the parent</u>	<u>Non - controlling interests</u>	<u>Total equity</u>
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Balance as of January 1, 2015	601,269	300,634	120,685	2,382	39,985	(109,489)	5,503	717,207	1,678,176	173,965	1,852,141
Profit of the period	-	-	-	-	-	-	-	1,092	1,092	(4,475)	(3,383)
Other comprehensive income	-	-	-	1,864	-	(56,398)	(8,558)	-	(63,092)	-	(63,092)
Total other comprehensive income	-	-	-	1,864	-	(56,398)	(8,558)	1,092	(62,000)	(4,475)	(66,475)
Dividends declared	-	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Capital Contributions	-	-	-	-	-	-	-	-	-	3,120	3,120
Other adjustments	-	-	-	-	-	-	-	(2,536)	(2,536)	(2,210)	(4,746)
Balance as of June 30, 2015	601,269	300,634	120,685	4,246	39,985	(165,887)	(3,055)	665,763	1,563,640	170,400	1,734,040
Balance as of January 1, 2016	601,269	300,634	120,685	2,382	39,985	(245,427)	(12,310)	244,830	1,052,048	62,868	1,114,916
Profit or loss of the period	-	-	-	-	-	-	-	40,370	40,370	(1,624)	38,746
Other comprehensive income	-	-	-	(152)	-	52,408	16,324	-	68,580	-	68,580
Total other comprehensive income	-	-	-	(152)	-	52,408	16,324	40,370	108,950	(1,624)	107,326
Dividends declared	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	5,280	5,280
Other adjustments	-	-	-	-	-	-	-	-	-	128	128
Balance as of June 30, 2016	601,269	300,634	120,685	2,230	39,985	(193,019)	4,014	285,200	1,160,998	66,652	1,227,650

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of cash flows

For the Six-months period ended June 30, 2016 and 2015
(unaudited)

	Note	As of June 30, 2016 US\$(000)	As of June 30, 2015 US\$(000)
Operating activities			
Collection from customers		294,619	325,892
Interest received		2	6,430
Payments to suppliers		(122,332)	(181,261)
Payroll and social benefit payments		(59,915)	(83,397)
Tax payments and other taxes		(28,152)	(45,577)
Interest paid		(18,360)	(20,275)
Other (payments) receipts related to the activity, net		(650)	(7)
Net cash flows (used in) provided by operating activities		<u>65,212</u>	<u>1,805</u>
Investing activities			
Proceeds from sale of property, plant and equipment		57	25
Dividends received		-	2,543
Purchase of property, plant and equipment		(22,210)	(24,947)
Purchase of intangibles		(2,354)	(429)
Others		(22,376)	-
Net cash flows used in investing activities		<u>(46,883)</u>	<u>(22,808)</u>
Financing activities			
Proceeds from borrowings		-	23,954
Dividends paid		(14)	(49,973)
New contributions of minority		3,000	3,120
Repayment of borrowings		-	(677)
Others		(28,099)	(11,718)
Net cash flows provided by financing activities		<u>(25,113)</u>	<u>(35,294)</u>
Net (decrease) increase in cash and cash equivalents		(6,784)	(56,297)
Net exchange difference		2,617	(2,464)
Cash and cash equivalents as of January 1	6	<u>390,855</u>	<u>407,882</u>
Cash and cash equivalents as of June 30	6	<u>386,688</u>	<u>349,121</u>